

**THE PRICE OF PRIVATE PLANNING<sup>(1)</sup>:**

**A REVIEW OF URBAN PLANNING POLICY IN SCOTLAND**

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In August 1987, not many people in Scotland – or in England for that matter – celebrated what in effect was the fortieth anniversary of Town and Country Planning. In its day, this complex framework of legislation was considered to be the most far-reaching of the post-war “reconstruction” Acts. Lewis Silkin, then Minister of Town and Country Planning, was champion of a system that would be the bedrock for the rebuilding of Britain’s ageing towns and cities. His legislation imposed sweeping controls over the development and use of all urban land and introduced an effective nationalization of development value through the imposition of a Betterment Levy. What’s more, the 1947 Act empowered local government to take a leading role in the redevelopment of towns and cities, building a new Jerusalem on the basis of positive urban intervention, promoting the wider public interest through development planning and regulating the excesses of the private sector through a system of development control.

In 1987, the planning system is still on the statute book, but the aspirations of its Founding Fathers – of Silkin, Uthwatt, and Reith in the 1940’s and the earlier ambitions of Burns, Addison or Wheatley in Scotland – seem long forgotten. This is therefore an appropriate occasion to take stock and to examine how planning has changed in the 1980’s and what this means for Scottish towns and cities. It is also apposite, after more than eight years of a Thatcher government – antipathetic, at best, towards planning’s traditional values of regulation and selective intervention through local public control – to ask who now controls the type and pace of urban change and to examine the future of Town and Country Planning in the 1990’s, and indeed the extent to which it still has one?

With reference to changes in British planning policy and selecting examples from Scotland, two central questions bind this discussion together. First, how has planning been affected by *deregulation*? What role is left for the planning system in a society that is being increasingly led away from the collective, public domain of post-war Britain into the private, personal world of the late 20th century. Indeed, if regulatory planning is anathema to a Conservative administration why retain the legislation, why keep the machinery going? Does the post-war evolution of planning offer

clues as to this apparent contradiction?

Second, who then becomes *responsible* for urban change, who determines the future of urban Scotland? Gone is the thirty year-old relationship between central and local government that planned, controlled and re-built contemporary urban Scotland. Between the 1940's and the 1970's two distinct phases of sub-regional planning introduced extensive urban change: new town construction; overspill agreements; suburban housing development; infrastructure projects; inner city comprehensive redevelopment; urban motorway construction; industrial relocation; regional parks and more. Planned state intervention has been *the* dominant architect of modern Scotland.

This legacy of public planning has been replaced by support for the activities of the private sector and a rearrangement of the balance between public control and private development. The terms privatisation and privatisation have been applied in this context but they need to be placed in a policy framework that has seen a centralisation of authority and a commensurate weakening of the local state. Urban planning in the 1980's is therefore no longer to be directed by local government under the guidance of central government but is to become the product of a new public-private partnership. The issues of deregulation and the transfer of responsibility cannot be avoided in an assessment of this new partnership.

### Deregulating Town and Country Planning

During the 1970's Keith Joseph, and others in the Conservative Political Centre, launched a sustained attack on the planning system. Despite the support given to Town and Country Planning by successive Tory Secretaries of State<sup>(2)</sup>, and often disregarding the views of the property industry<sup>(3)</sup>, the New Right was eager to see an in-coming Conservative government sweep-away much of the statutory planning system. Frank (later Lord) Harris's Institute of Economic Affairs and other free-market pressure groups had long been critical of the planning system, claiming it had merely served to crowd-out the private sector, distorting and delaying the market and imposing additional costs on development. They were joined by what Greg Lloyd<sup>(4)</sup> convincingly refers to as the "libertarian planning school". Critical of the over-extension of the planning system, Sorensen and others, argued that the planning system should return to its rightful role as a mechanism for controlling and minimising the externalities associated with development.<sup>(5)</sup>

These opinions were most forcibly articulated in a report by Robert Jones<sup>(6)</sup>, entitled "Town and Country Chaos". His recommendations were to surface again as an important chapter in the "Omega Report", a blueprint for privatization produced by the right-wing Adam Smith Institute.<sup>(7)</sup> Jones found little to commend the statutory planning system in

Britain. His conclusion was that public planning, directed towards the best interests of the community, was a demonstration of collective failure. In contrast, the best examples of town planning were to be found in the private domain, citing Belgravia in London and Edinburgh's New Town as good examples. The conventional wisdom that public planning had secured lasting social and environmental improvement was questioned: rather than improving cities, the control of non-conforming uses had instead resulted in rigid partitioning and served to stifle new development; the imposition of planning control and conditions on development far from achieving civic improvement led instead to intolerable delay, increased building costs and bureaucratic architecture: "what looks to middle-class eyes as the protection of a city's character and the imposition of order instead of chaos, might seem to working class eyes as the denial of opportunity and convenience. A bustling, growing and thriving city, changing and mushrooming with all kinds of vigorous developments, might seem more attractive than a quiet and planned stagnation".<sup>(8)</sup> And the ASI Report concludes that, "(t)here is no doubt at all that the removal of most of the planning restrictions and controls which are applied in Britain would bring major and lasting benefit to the community".<sup>(9)</sup>

Not that an unfettered market place or untrammelled laissez-faire is the complete answer. Greg Lloyd again shows that often Libertarians argue that "there is a role for the state in improving the conditions in which markets operate and in maintaining certain minimum social standards ... with land being allocated firmly through property markets".<sup>(10)</sup> They also contend that private solutions to land and property disputes, with possible redress to the courts, are far superior to state regulation. The ASI recommended the setting-up of land use tribunals, replacing official planning controls with private covenants and using private building codes to ensure minimum acceptable construction standards.

It was this criticism from the Right that played some part in the concept of using deregulation – including removing planning restrictions – as a means of attracting industry into Enterprise Zones first announced in 1980. Alongside the financial inducement of exemption from the payment of rates for 10 years, firms were also offered the incentive of being able to avoid land-use and environmental controls imposed through the planning system. As is now quite clear, the rhetoric of deregulation in the EZ's has not been matched by real change. Indeed, the Planning Schemes drawn-up for some of the zones has strengthened, not weakened, environmental control. In the Tayside Enterprise Zone, using landlord approval and Section 50 Agreements, the SDA and the local authorities concerned have applied strict control over the type of development permitted. Even where retailing has been allowed inside Enterprise Zones – as in Swansea, Dudley, Gateshead and others<sup>(11)</sup> – development has been "hedged round with a list of exclusions, conditions and limitations".<sup>(12)</sup> Moreover, Roger Tym and Partners reached the conclusion that:

"It is not possible to say with confidence ... on the basis of experience in EZ's that the (planning) scheme approach could necessarily be extended without difficulty to different types of area, where there might be, for instance, a more intricate and mixed pattern of land uses, more at stake environmentally, and consequently, more problems safeguarding third party interests".<sup>(13)</sup>

As we shall see, this warning was not heeded by government.

Following their election victory in 1983, the Conservative government placed renewed emphasis on the benefits to society – an increasingly private society – of further deregulation, especially the removal of control over business. And it was not coincidental that assistance for industry, especially small-business, was given a new priority, nor that David (later Lord) Young, one-time Chairman of the Manpower Services Commission was given a key co-ordinating position in Cabinet. The policy process began with the publication of two reports that sought to inform and elicit opinion on the problem and on solutions that could be promoted by government. In 1984, a consultation report was released proposing the introduction of "simplified planning zones" – areas, designated by local authorities, where there would be the minimum of planning controls, especially over business.<sup>(14)</sup> The justification for this experiment in deregulation was supported by a report from the Department of Trade and Industry, "Burdens on Business"<sup>(15)</sup>, that catalogued the costs on business of "complying" with government regulation. Supported by other studies, especially from the CBI, the report argued that planning controls were a burden on small business and that their profitability was hampered by petty controls and restrictions. The speed at which planning decisions were made (or not made) was seen as the key issue, and hence the concept of introducing a form of automatic planning consent in particular areas was an attractive alternative.

These ideas were then translated into a White Paper, entitled "*Lifting the Burden*"<sup>(16)</sup>, which articulated the government's position very clearly:

"The amount of regulation which new and established firms face acts as a brake on enterprise and the wealth and job creating process. Deregulation means two things. First, freeing markets and increasing the opportunities for competition. Second, lifting administrative and legislative burdens which take time, energy and resources from fundamental business activity" (par 1.5).

The White Paper examined deregulation across a range of topics but "Planning and Enterprise" was singled-out for detailed analysis and the most comprehensive recommendations for legislative reform. Amongst a range of detailed proposals, the principle measures included:

- (1) establishing simplified planning zones where certain forms of development could take place without the need for planning permission;
- (2) introducing changes to the General Development Order specifying types of development that may occur without planning permission; and
- (3) reviewing the Use Classes Order in order to extend the use of land and buildings without the need to obtain formal approval.

These and other measures were seen in the context of a general simplification of bureaucratic control over development:

"while deregulatory measures ... are important, the key objective must be to keep the planning process simple – to avoid over-elaboration and unnecessary detail in development plans, and to concentrate on the essentials in dealing with applications ... Deregulation does not imply only the abolition of unnecessary controls. It also means achieving simplicity and efficiency in the way that necessary control is carried out". (par 3.14)

The proposal to introduce simplified planning zones (SPZ) and other modifications to the statutory planning system reached Parliament in April 1986, and were codified in the *Housing and Planning Act* of November the same year. Draft regulations on the detail of SPZ's were circulated in the early summer of 1987, with the expectation that the first zones would be introduced by the end of the year.<sup>(17)</sup>

The Act gives planning authorities the power to prepare SPZ schemes for all or part of the planning authority's area, to be effective for 10 years after the date of receiving approval from the Secretary of State. The most contentious part of the legislation gives the Secretary power to impose a simplified planning zone on a reluctant authority. He may do this after a member of the public – an individual or company – has sought and been refused SPZ designation by a planning authority. Furthermore, the Secretary of State has extensive call-in powers and may amend SPZ proposals as he sees fit.

These changes effectively shift responsibility for certain types of environmental change on to the developer, the property-owner, the individual; a higher priority is thus given to private (often commercial) interests with a commensurate diminution in collective or community (often welfare) interests. Furthermore, these changes represent a general relaxation of the land and property market and, as Lloyd argues, "(s)implified planning zones are likely to be located according to market

pressures, that is, areas which offer the greatest potential return for property developers".<sup>(18)</sup> This then has implications for urban communities. Specific planning policies are liable to encourage private property development yet at the same time may create the conditions of imposing environmental and social costs on communities least able to respond.

The performance of Enterprise Zones would suggest that SPZ's may not effect as great a degree of deregulation in the planning system as originally intended. Indeed, throughout urban Scotland they may initially have little noticeable spatial impact. But they are likely to become important symbols of change and in the long run will alter attitudes to environmental and land-use control. Simplified planning zones offer evidence that government is committed to achieving a shift in the responsibility for determining urban change and at the same time is prepared to offer further inducements to the private process of urban development. In case there was any doubt as to the direction of urban planning policy, government reaffirmed its belief that deregulation is the key element in achieving urban regeneration:

"Simplified planning zones are based on the planning regime successfully pioneered in the Enterprise Zones. They provide planning authorities with a new method of attracting private investment to areas in need of development or regeneration. For developers and landowners, they provide the certainty of knowing what types of development can be carried out in an area. They save the authority and developers the work and expense involved in making and processing individual planning applications".<sup>(19)</sup>

### Public-Private Partnerships

Planning frequently succumbs to the ephemeral attractions of fashion. Be it the physical determinism of the 1950s, the worship of a technological panacea in the Sixties, or the naive support for participation and social planning in the early 1970's, the practice, the profession and the politics of planning has lurched from one paradigm to another, vainly searching for the Holy Grail of the urban solution.<sup>(20)</sup> And the urban answer of the 1980's appears to be the public-private partnership. But unlike earlier support for mathematical modelling or corporate planning, this latest fashion is likely to be more enduring. Beneath the slogans and the rhetoric of a new approach lies a consistency and coherence that can be traced back to 1947, and even further into the history of public support for market-led property development.<sup>(21)</sup>

Reaffirmation of support for the public-private partnership dates back to the emergence of inner-city policy during Peter Shore's tenure in the Department of the Environment. The 1977 White Paper – *Policy for the*

*Inner Cities*<sup>(22)</sup> – and the *Inner Urban Areas Act* the following year launched an "enhanced" urban policy that concentrates public expenditure on the Inner Area Programmes. Running in parallel, policy focussed on urban economic development supported by a search for initiatives that could stimulate an increased level of activity by the private sector in selected parts of British cities. Labour therefore prepared the way for the public-private partnership; the in-coming Conservative government grasped the model with both hands:

"In September 1979 the then Secretary of State for the Environment, Michael Heseltine, announced that Partnership and Programme arrangements and the powers available under the Inner Urban Areas Act would be retained, but there would be a greater emphasis on the role of the private sector as an essential factor in securing the long-term revival of inner city areas...."<sup>(23)</sup>

And by 1987:

"The Government's aim is to help cities to adjust to change and to restore confidence in their future. There is no single solution, but a mix of well-targeted programmes to stimulate development and investment, widen housing choice, tackle dereliction and foster new opportunities for local businesses and local people.

None of this can be realised by Government or local authorities acting alone. Cities grew and flourished because of private enterprise. It is private enterprise, backed by well-directed Government action, that will renew them. The emphasis is on co-ordinated effort to involve local communities and the private sector in the task of regeneration, and to build on their initiative."<sup>(24)</sup>

Despite frequent Ministerial changes at the DoE and the Scottish Office this policy focus was maintained throughout the mid-eighties with numerous amendments to existing programmes and initiatives introduced through guidelines and new legislation.

For example, in 1983 the Property Advisory Group reported to the Department on "*The Climate for Public and Private Partnerships in Property Development*".<sup>(25)</sup> They advocated the introduction of policy that measures success in terms of private property development, and urged:

"local authorities to concentrate much more attention on the benefits to their localities of successful private development ... If they see their tasks in this context, local councils will the more readily identify their role in 'partnership' as helping to create the circumstances in which the private development industry, while still satisfying its own commercial criteria, can contribute to an area's economic, physical

and social improvement". (par 12).

Government listened to this advice.

The 1986 *Housing and Planning Act* is a case in point. Not only did this piece of legislation introduce the simplified planning zone but also brought the Urban Regeneration Grant (URG) to the lexicon of urban policy. This new grant, to be paid from central government direct to private property developers undertaking projects in areas suffering from dereliction, is applicable in Scotland, but the indication is that the Scottish Office will continue to operate the LEG-UP scheme, an existing property subsidy managed by the SDA that already by-passes local government. In a sense, therefore, URG represents the "maturing" of urban policy, returning once more to a focus on property development, enabling direct central government subsidy for urban regeneration, providing financial support for the promotion of public-private partnerships – and not necessarily in the most acutely deprived urban areas.

It is similarly possible to trace the growing importance of the public-private partnership in various sections of housing policy. This co-operative model is now viewed as the solution to a whole range of difficult issues in urban Britain: the rehabilitation of private inner-city stock and promotion of Agency Services; further extension of owner occupation through shared ownership and young-persons schemes; the private financing and construction of housing to satisfy special needs of, for example, the elderly, the young, the mentally ill; newbuild for private rental; and, notably, the physical renewal and subsequent management of difficult-to-let council stock.<sup>(26)</sup> The concept of incorporating the private sector into Scottish housing policy also lies at the heart of the proposal to create a new single housing agency "Scottish Homes". Hence, URG, the Urban Development Grant (UDG) and LEG-UP, as well as changes to the future planning and management of public housing are all components of the same refocussing of urban planning policy.

If the public-private partnership has long been part of the established planning process, what, if anything, is different in the 1980's? Returning to the theme of transferring responsibility for planning and urban policy, the new partnership not only places a premium on the generation of property development but directly uses the private sector as the vehicle to determine and implement policy. At the UK scale, the activities of the Phoenix Initiative exemplify this redirection of policy. With financial backing from the National Council of Building Material Producers, the Policy Forecasting Unit prepared a manifesto entitled "The Phoenix Partnership" sub-titled "Urban Regeneration for the 21st Century". With evangelical fervour, the Report<sup>(27)</sup> begins:

"Throwing money into inner cities would not by itself halt the

decline. Cities are living organisms. ... Before change can take place there has to be vision of the future in which the local community participates and believes. ... There is an alternative to the present apathy which exists in too many of our towns and cities."

That alternative, according to the Report, is to be found in the USA, in the success stories of Baltimore, Pittsburgh, Oakland and Minneapolis. Not only are these locations cited as exemplars of urban renaissance through the public-private partnership but that the national policy framework operating in the USA – of UDAG, of municipal bonds, of tax increment financing – is a model for the UK. Moreover, drawing on evidence from a US case study, the Report argues that the strength of the public-private partnership lies in the "de-politicisation" of the development process: "(p)ublic agencies are singularly ill-equipped to play a supporting role in the development process. ... their role in comprehensive development projects is counter-productive".<sup>(28)</sup> The social component of urban planning policy they argue is best left to the "impressive commitment" of British commercial and financial companies.

Since 1985, support for the Phoenix Partnership has been widened to include an array of organisations from the property development sector: the Building Employers Confederation, the British Property Federation, Business in the Community, the Urban Investment Review Group, the Association of British Insurers and the Building Societies Association. Phoenix also received political support from the SDP, when David Owen used the Report in his prescriptions for urban Britain. With the approval of the DoE, the renamed Phoenix Initiative is now actively pursuing public support for the development activities of its members. Hence the concept of the urban partnership has effectively been reversed. Instead of exploring ways in which the private sector could assist the public process of urban regeneration, the Phoenix Initiative seeks the modification of policy – national and local – to subsidise private development. Increasingly it would appear that at least one purpose of urban policy is to support the objectives of the Building Material Producers and the British Property Federation.

PROBE, Partnership Renewal of the Built Environment, is another example of a private initiative that has received the support of government. This organisation, funded by the Halifax and Nationwide Building Societies and the Lovell Group, offers expertise and skills "which can complement and work in harmony with public authorities to help solve local problems"... "can assist by taking a totally independent view of the problems of a specific authority, and attempt to find solutions to those problems within their own policy guidelines"...and..."is therefore able to work with a local authority to present a case that accords with the requirements of the building societies and other financial institutions".... "PROBE is proving that good business and a social perspective can mix successfully".<sup>(29)</sup> Neither Phoenix nor PROBE has started work in

Scotland, but both are known to have explored developments north of the border.

Solesbury<sup>(30)</sup> addresses some of the dilemmas inherent in this policy shift, but suggests that the simple public-private distinction needs to be widened into an examination of how business, government and the not-for-profit sector can implement urban policy. Moreover, he argues that "(t)he concept of partnership implies equality and reciprocity. Both are rarely evident in the arguments...between sectors and interests in urban policy. A whole array of alternative arrangements are being suggested for which a new vocabulary is needed".<sup>(31)</sup> This, and other assessments, will be further examined in the concluding section, illuminated by comment on how Glasgow has adapted to this new, very different style of planning.

### Glasgow's Private Partnership

An initiative in the city of Glasgow demonstrates how a public-private partnership works in practice. With the support of the Scottish Development Agency, Glasgow Action – a public-private partnership based in the city-centre – now occupies a key position in the promotion of the city's economic profile and acts as a catalyst for city-wide property developments. While Glasgow Action may have the ear of the SDA, it maintains that it has no direct access to major public resources, relying instead on generating investment from the private sector. This initiative therefore represents a radical departure from the substance and style of urban planning policy in the 1970's where the SDA played a key role in funding a series of Area Projects throughout Scotland.<sup>(32)</sup> This policy shift was first introduced by the SDA in 1984, implemented in Glasgow and then extended to the Inverclyde Project, based in Greenock.

Glasgow Action – formed around a group of prominent city businessmen that includes Sir Norman Macfarlane, chairman of the Glasgow-based Macfarlane Group (Clansman) plc before becoming chairman of Guinness – was one of the products of a major study of development potential in the city centre, funded by the SDA and conducted by consultants, McKinsey and Company. They recommended that public action should seek to strengthen Glasgow's role as a major service sector and that such a strategy should be led by a private organisation.<sup>(33)</sup> Although senior politicians from both Glasgow District and Strathclyde Regional Councils are represented on the board, leadership, control and direction is firmly located in the private sector. Glasgow Action's strategy is unashamedly based on economic boosterism, clearly reflecting the aspirations of the business community in the city.

Glasgow Action – like the Phoenix concept in England – is closely modelled on the US public-private partnership.<sup>(34)</sup> The glistering hotels, convention centers and Festival Markets in older industrial cities such as

Baltimore, Boston and Detroit proved irresistible to city politicians from Scotland seeking a solution to their urban economic problems. Moreover, the SDA and others promoting a different approach to urban regeneration were influenced in no small way by the attractive combination of private leadership and private investment they found in Minneapolis, Minnesota. The model for Glasgow then, is to combine the strictly commercial goals of the downtown development committee with the somewhat more altruistic objectives promoted through the private sponsorship of community development. Perhaps most important of all, Glasgow Action came to inherit the American belief that urban regeneration depends first and foremost on creating the correct conditions for private investment. To quote from their first brochure:

"Glasgow Action is the name of a group of leading business people and politicians – and of the visionary plan they have for Glasgow's future, for the Glasgow of the 21st Century. The thinking behind the plan is that the development of a strong business and consumer service industry base will stimulate the regeneration of the city as a whole ...; it aims to recreate Glasgow's entrepreneurial spirit".<sup>(35)</sup>

Based on the McKinsey study, six targets have been selected as the focus of activity: attracting company headquarters or at least HQ activities to the city; developing a range of exportable services; expanding the city's facilities for specialised education; building Glasgow's tourist industry; improving the image of the city and, last, continuing to upgrade the environment. Glasgow Action has been particularly active in its promotion of "events" in the city, including a Jazz Festival and an annual fashion exhibition. It has also claimed some credit for the selection of Glasgow as the "European City of Culture 1990". Its principle role, however, is to select and back "project champions".<sup>(36)</sup> Most have been property related: a Legal Services Centre, retail schemes, inner-city housing and hotel developments. This began in the Merchant City area to the east of the main retail core, and has been extended into other central city locations such as the Broomielaw and further along the Clyde, linking into the Scottish Exhibition and Conference Centre and the site of the 1988 National Garden Festival.

There is perhaps a danger in reading too much, too early into the activities of Glasgow Action. Nevertheless, the acceptance of this private forum by the city council, its involvement with major development projects in the city centre and the significance given to it by the SDA suggests that Glasgow Action may become a permanent feature in Glasgow's policy community and may lead to similar initiatives in other urban centres. Already studies in Edinburgh and the report "Aberdeen 2000" suggest that planning policy for Scotland's largest cities will be influenced by emerging forms of public-private partnership. And even at the local scale, in difficult economic circumstances, the same model is being pursued. After ten years,

the GEAR Project in Glasgow is being replaced by the East End Executive – a “joint private/public sponsored organisation which draws upon the combined resources, commitment and expertise of both sectors, including the active involvement of a range of companies in the area”.<sup>(37)</sup>

The aspirations and activities of Glasgow Action sit quite comfortably alongside the planning framework now operating in the city, particularly in the city-centre. The Central Area Local Plan, various housing policies – not least support for private sector residential conversions and new build construction – and the increasing importance given by the SDA to property development can effectively be considered as a coherent policy framework. Together, they induce private investment into the city, greatly improve the appearance of the city-centre, encourage modest increases in home ownership (especially in the Merchant City), and fuel the symbolic regeneration of the city.

But this is a very different style of planning to that of the 1960's and 1970's. Public policy towards the “renaissance” of the Merchant City is a good example. Building on the “Alternative Strategy” introduced by the Housing Department in 1980, and the City's Planning Department began to relax certain constraints on private development within the city centre. This coincided with the availability of grant aid from the Housing Department and the introduction of LEG-UP support from the SDA. The report on “Private Housing Opportunities within the Merchant City”<sup>(38)</sup> followed by a series of “developer's briefs” was instrumental in creating a sympathetic policy and the appropriate financial framework for the conversion of empty warehouses and factory units in the Merchant City area. Although the City Centre Local Plan took more than 10 years to reach the stage of approval by the District Council, the city planners were able to effectively ignore this bureaucratic mechanism, instead they promoted development through a combination of selectively releasing parcels of land (the city owned 40 per cent of the vacant sites in the Merchant City), selling or giving away empty property (60 per cent of which was in Council ownership) and packaging available grants and loans for the private sector.

## Conclusion

One of the central weaknesses of pursuing a private-led approach to planned urban change is the assumption that the market is willing and capable of financing and implementing the necessary development. Certainly in comparison with the US, and also in contrast to the level of market demand in the south of England, the private sector infrastructure in much of urban Scotland is substantially less well developed. Moreover, the spatial distribution of the private infrastructure that does exist is very uneven. The older inner-city areas and the equally deprived local authority-owned housing estates on the periphery lack local business networks that are essential to any strategy that seeks to invigorate local economic

development. In these areas moreover, the opportunity for external private investment has been limited, and the levels of indigenous poverty mitigate against the accumulation of household savings and the possibility of local capital investment.<sup>(39)</sup>

Private sector-led regeneration depends on key individuals and companies being present or at least able and willing to come forward. In the city centre, even in Glasgow, it is perfectly possible to identify and utilize a business elite capable and motivated to help implement such a strategy, given the necessary public support. But in the inner-city, such as Glasgow's Woodlands or Dalmarnock, out in the peripheral housing estates of Possil or Easterhouse, and throughout older industrial towns facing the worst consequences of economic decline there is little evidence of this private infrastructure. Yet it is precisely in these areas – communities facing high levels of unemployment, declining job opportunities and falling wages – that government seeks to expand its policy of using private-led urban economic development.

Moreover, the related policy of attracting private resources into such areas to fund physical regeneration of the environment and replace the housing stock assumes a supply of indigenous local capital that can replace public investment. The reality is different. Instead of local investment in the physical environment, privatization policy becomes an attempt to create a middle-class in these areas by importing capital. And the consequences are mixed. In the short-term, this policy transfers the resource costs of improvement from the public to the private sector and alters the tenure balance of the housing stock. But the long-term benefits of this policy – and the substantial public subsidies involved – are selective. Income levels in these areas may not be able to support the whole cost of home-ownership. While mortgage repayments may be little more than the existing rental charge, the additional costs of ownership can be crippling. Thus, the creation of a middle-class in the peripheral estate or in refurbished inner-city high-rise blocks results in a displacement of poorer residents hence shifting, not solving urban problems.

The evolution of urban planning policy in Scotland and support for the public-private partnership has shifted attention from the social problems of the inner city to a concern with managing economic adaptation. Having secured support from government for this shift, policy-makers then turned their attention to the commercial opportunities available in the city-centre, pursuing objectives that reflect the needs and aspirations of the business community. This in turn changed the agenda of urban policy: what is good for the business community becomes the goal for the city as a whole. What may be more important for residential neighbourhoods in the city may not figure at all on the urban audit prepared by financiers and industrialists who sit on the new urban action committees. And the long-term implications are even more serious. Evidence from the US demonstrates that where the

private sector sees commercial advantage they retain interest and commitment. When they are then asked to support activities that are not part of their agenda they are quick to withdraw, leaving behind a political, organisational and fiscal vacuum. Moreover, an explicit acceptance of commercial objectives can effectively redirect public policies and programmes away from areas most in need, further reducing the resources available to communities that have no part to play in the pursuit of private interests.

Not only has the planning system been weakened by the past decade of public neglect and the reallocation of public expenditure, but the insidious process of deregulation has effectively narrowed the definition of Town and Country Planning. Professional support of the public-private partnership is understandable as practitioners seek a new role in the process of urban change. And in the absence of public resources, private sources become the only available means of realising planning objectives, albeit at the price of accepting the rules laid down by the private development industry.

Herein lies one answer to the questions posed at the beginning of this chapter. A slimmer Town and Country Planning has been retained because it offers advantages to the development industry. Public planning now directly benefits developers: it enables land-use change, provides overall direction and acts as a conduit for the regulated delivery of the necessary infrastructure. But in a climate of private – increasingly personalised – urban change, planning needs to face up to the costs of supporting the public-private partnership.

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